

COMMISSIONER DOUG LITTLE'S PROPOSED AME



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ORIGINAL

DATE PREPARED: May 18, 2016

COMPANY: Arizona Corporation Commission Investigation into Potential Improvements to its Water Policies.

AGENDA ITEM NO.: 2

DOCKET NO(S): W-00000C-16-0151

OPEN MEETING DATE: May 19, 2016

Amendment to "Policy Statement on Small Water Utility Rate Cases"

INSERT New Paragraph after paragraph #8:

"We recognize that small water companies may be reluctant to respond to Staff's recommendations, or engage in debate with Staff, either because of ignorance of the process, fear of a bad result, and/or fear of a delayed process. Staff reports should clearly and prominently state that they are recommendations only and that the applicant has a right to respond. In order to alleviate the potential reluctance of small water companies to fully participate in the rate case process due to fear of delay, if a class C, D or E rate case is not completed in the time frame specified by the Arizona Administrative Code when new rates ultimately are approved, a surcharge mechanism will be established that collects the "lost revenue" associated with missing the deadline. The lost revenue will be calculated as the revenue that would have been collected under the approved rates, had they been effective on the day the time-clock specified in the Arizona Administrative Code, expires and up to the date the new approved rates actually are effective. If the cause of the delay can clearly be linked to the Company's actions, the Commission may choose not to impose the above surcharge."

Make all conforming changes.

Arizona Corporation Commission

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THIS AMENDMENT:

____ Passed ____ Passed as amended by ____

____ Failed ____ Not Offered ____ Withdrawn